

# Merchandise Management... Did following your gut make you sick last year?

Get the tools and training you need to make that belly ache history!

The Romano Consulting Group's merchandising efforts serve to maximize margins and sales efforts, and to minimize merchandise expenses such as inventory carrying costs and shrink.

## Category Analysis

Detailed analysis of sales and margin performance of products by price point for each category. It will show the mix of business in the low, middle and high price points and display the gross margin dollar contribution for each level.

## Inventory Analysis

Inventory is analyzed in terms of number of times it turns per year and gross margin return on investment. Each category is compared to similar benchmarks and to other categories that are part of the stock merchandise mix.

## Special Order vs. Stocked Merchandise Performance

An analysis is completed outlining the effectiveness of the current stocking program by category. Sales and gross margin dollars are examined and compared against the same parameters for special order products.

## Optimal Inventory Level

Optimal inventory levels are estimated based on forecasted product sales, projected gross margin and estimated turn rates. A "weeks of supply" analysis is prepared to illustrate the effectiveness of the current level of stocked inventory by category and how many weeks and dollars a product is undersupplied or oversupplied.

## Open-to-Buy Process (OTB)

An OTB process is created to provide a structure for determining what is needed according to the merchandise strategy. It is a checkbook to protect against overspending according to the optimal inventory level set by category or product.

## Obsolescence Plan

An obsolescence plan is created per category, setting time frames for removing unproductive merchandise within a planned time frame.

## Advertising Strategy

A process is developed to track advertising effectiveness by event, by setting up a system for measuring the appropriate inputs versus looking an increase/decrease in sales volume.

## Margin Maximization

This process involves creating a "map" for sales associates to use to sell products that produce the highest gross margin dollars. Management is taught how to rank products by gross margin dollar and create incentive programs for sales associates to guide maximization behavior.

## Area Rug Analysis

Performance by size is analyzed to ensure a solid return on investment for area rugs. Turn rates, GMROI, inventory carrying costs, sales, and margin performance is calculated and graphed for each size and price point.

## Specialized Calculators

Calculators are available for managers to load cost data enabling an instantaneous creation of price lists and price tags for products.

The most complex and neglected part of your business, is also your biggest opportunity for bottom line profitability!

### Offerings:

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- Special Order vs. Stocked Merchandise Performance
- Optimal Inventory Level
- Open to Buy Process
- Obsolescence Plan
- Advertising Strategy
- Margin Maximization
- Area Rug Analysis
- Specialized Calculators